

**Plaintiff Lazare Kaplan International Inc.'s
Revised Deposition Designations for Veerle
Snyers 10/19/2015**

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Revised Deposition Designations for Veerle Snyers
10/19/2015

Transcript: [10/19/2015] Snyers, Veerle

Issue Filter: Revised Deposition Designations

Pg: 6 Ln: 20 - 24

Annotation:

6:20 Q. Okay. Good morning, Ms. Snyers.
21 My name is Chris Sullivan and I'm with
22 the law firm of Herrick Feinstein and
23 we represent the Plaintiff in this
24 case, Lazare Kaplan International.

Pg: 7 Ln: 11 - 14

Annotation:

7:11 Q. Are you employed by KBC Bank?
12 A. Yes.
13 Q. Where do you live?
14 A. In Belgium.

Pg: 8 Ln: 1 - 5

Annotation:

8: 1 Q. Do you speak and read English?
2 A. Yes.
3 Q. What other languages do you
4 speak and read?
5 A. Dutch, Flemish and French.

Pg: 10 Ln: 17 - Pg: 11 Ln: 3

Annotation:

10:17 Q. What is your current job title
18 or position at KBC?
19 A. I think it's called now Special
20 Risk Officer.
21 Q. And what are your
22 responsibilities as Special Risk
23 Officer?
24 A. I deal with the credit files
25 that need or the bank thinks needs
11: 1 special attention and in that, doing
2 that I will be in contact with outside
3 counsel and things like that.

Pg: 11 Ln: 8 - 11

Annotation:

11: 8 Q. Okay. When did you first start
9 working at KBC?
10 A. It's -- the merger happened in
11 July, the 1st of July of this year.

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Pg: 23 Ln: 10 - 24

Annotation:

23:10 Q. What is the highest level of
11 education that you've completed?
12 A. I went to law school.
13 Q. And where did you go to law
14 school?
15 A. In Antwerp.
16 Q. And in what year did you obtain
17 your degree?
18 A. If I remember it correctly it
19 would have been '99.
20 Q. 1999?
21 A. Yes.
22 Q. Do you hold any other degrees
23 besides your law school?
24 A. No.

Pg: 55 Ln: 25 - Pg: 58 Ln: 5

Annotation:

55:25 Q. Do you know whether it was
56: 1 necessary to obtain the approval of KBC
2 in order to make certain kinds of loans
3 necessary for ADB to obtain the
4 approval of KBC in order to make
5 certain kinds of loans?
6 A. To grant credit facilities?
7 Q. For example.
8 A. Possibly yes, if they go above a
9 certain amount. I don't know exactly.
10 Q. Well, what's the basis of your
11 testimony "Possibly yes, if they go
12 above a certain amount"? Is there a
13 document that states that?
14 A. There are documents that indeed
15 set out the delegation rules, yes.
16 Q. Those are the IKB documents?
17 A. Yes.
18 Q. Are there any other documents?
19 A. I don't know.
20 Q. Well, but you do -- you do know
21 there was a limit on the amount of
22 money that ADB could loan to any one
23 customer or customer group? Is that
24 fair to state?
25 A. No. That is a wrong statement.
57: 1 Q. Okay. Why is that a wrong
2 statement?
3 A. Because it's incorrect.
4 Q. How is it incorrect?

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Pg: 55 Ln: 25 - Pg: 58 Ln: 5 continued...

Annotation:

57: 5 A. It's that ADB would be able to
6 grant the facility, but maybe it needed
7 approval or a decision of KBC that it
8 was confirmed, yes.
9 Q. And you don't recall the size of
10 credit facility that required the
11 approval of KBC?
12 A. I'm there -- normally I step in
13 when the file is not performing well.
14 So I'm not there when the credit
15 facilities are granted. So, no, I
16 don't know exactly.
17 Q. Well, do you know whether ADB
18 needed the approval of KBC to grant the
19 Lazare credit facility?
20 A. I don't know.
21 Q. You weren't working at the bank
22 at the time?
23 A. No.
24 Q. I see. How about to terminate
25 the credit facility? Did KBC
58: 1 participate in the decision by ABD to
2 terminate the Lazare credit facility?
3 A. It was on advice of the Credit
4 Committee of ADB and indeed approved
5 the decision by KBC, yes.

Pg: 63 Ln: 18 - Pg: 67 Ln: 13

Annotation:

63:18 Q. Will you turn to Exhibit 31 in
19 the first binder that says zero to
20 something?
21 THE WITNESS: Which document?
22 MS. GREDD: Tab 31.
23 Q. In particular, page 5, lower
24 right-hand corner.
25 A. Page 5?
64: 1 Q. Page 5 of that exhibit, yes. Do
2 you see the statement in the first
3 paragraph at the top of the page that
4 reads, "In accordance with the
5 conditions of Article 113, Section 2
6 the Antwerp Diamond Bank states that
7 its commitments and those of all its
8 subsidiaries included in the
9 consolidation are guaranteed by its
10 shareholder KBC Bank NV"?
11 A. Yes. I see that, yes.

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Pg: 63 Ln: 18 - Pg: 67 Ln: 13 continued...

Annotation:

64:12 Q. Were you aware prior to today
13 that commitments of ADB and its
14 subsidiaries were guaranteed by KBC?
15 MS. GREDD: Objection to form.
16 A. No.
17 Q. Would you look at 44, in Exhibit
18 44 in this same binder? I'll represent
19 to you this document is not in English.
20 A. Yes, I see.
21 MS. GREDD: I'll represent to
22 you I agree.
23 Q. Am I correct that the subject
24 line of this document says in English
25 "KBC guarantees"?
65: 1 A. Yes, it does.
2 Q. Can you tell me in English what
3 the text of the document says up to and
4 including where it says "Lazare Kaplan
5 Groep"?
6 A. I have to translate it to you or
7 what?
8 Q. Yes. I'm asking you to translate
9 it to me.
10 A. Literally or --
11 Q. Up to -- well, I want you to
12 tell me truthfully what it says up to
13 the words "Lazare Kaplan Groep",
14 G-r-o-e-p.
15 MS. GREDD: Objection to form.
16 A. So I will translate.
17 Q. Your best effort, if you would,
18 Ms. Snyers.
19 A. Yes. Colleagues, as you know,
20 KBC gives a guarantee for all the
21 limits above our lending limit.
22 Actually, that is fixed at or set at, I
23 don't know, and then the amount in euro
24 you can read yourself. We have to do a
25 monthly. We have to do -- we have to
66: 1 give a monthly overview to KBC of all
2 decided and withdrawn credit facilities
3 about this limit. Furthermore, there
4 are two other guarantees decided -- I
5 don't know how to translate that --
6 capital moment of making it
7 operational. Client -- the clients that
8 would fall under this -- under this --
9 I would say -- this scope are, and then
10 it is Lazare Kaplan Groep.

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Pg: 63 Ln: 18 - Pg: 67 Ln: 13 continued...

Annotation:

66:11 Q. You stated before that no
12 portion of the Lazare credit facility
13 was guaranteed by KBC. Does this
14 document?
15 A. I said that I didn't know.
16 Q. Okay. Does this document suggest
17 to you that KBC did, in fact, guarantee
18 loans under the Lazare credit facility?
19 MS. GREDD: Objection to form.
20 A. Can you repeat that question,
21 please?
22 Q. Does this document indicate to
23 you --
24 A. Yes.
25 Q. -- that KBC did, in fact,
67: 1 guarantee loans to Lazare under the
2 Lazare credit facility?
3 MS. GREDD: Objection to form.
4 A. I see the name Lazare Kaplan
5 Groep, yes, with the account numbers of
6 Lazare Kaplan and Lazare Kaplan
7 Belgium, yes.
8 Q. So apart from this document, do
9 you have any independent recollection
10 of whether KBC, in fact, guaranteed any
11 portion of the Lazare credit facility?
12 MS. GREDD: Objection to form.
13 A. I have no recollection, no.

Pg: 74 Ln: 12 - Pg: 75 Ln: 11

Annotation:

74:12 Q. As a general matter was ADB free
13 to reject the legal advice provided by
14 the KBC group Legal Department?
15 MS. GREDD: Objection to form.
16 Q. Did ADB --
17 A. Can I say -- you talk a bit too
18 speedy for me. So, yeah.
19 Q. Was ADB required to follow the
20 advice or direction given by the KBC
21 group Legal Department?
22 MS. GREDD: Objection to form.
23 A. I think it would be in
24 consultation with ADB advice, yes.
25 Q. Can you think of any situation
75: 1 in which ADB ever refused to follow the
2 advice given by the KBC group Legal
3 Department?

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Pg: 74 Ln: 12 - Pg: 75 Ln: 11 continued...

Annotation:

75: 4 MS. GREDD: Objection to form.
5 A. I don't know.
6 Q. You can't think of a single
7 situation?
8 MS. GREDD: Objection to form.
9 Q. You have to answer. You can't
10 make a verbal gesture.
11 A. No. I can't, no.

Pg: 97 Ln: 16 - Pg: 99 Ln: 17

Annotation:

97:16 Q. Are you aware or were you aware
17 in November, 2001 that Lazare had
18 opened a bank account at the New York
19 branch of KBC?
20 A. If I was aware of it in
21 November, 2001?
22 Q. Yes.
23 A. No.
24 Q. When did you first become aware
25 that Lazare had opened a bank account
98: 1 at the New York branch of KBC?
2 A. I think it was only in 2012.
3 Q. 2012?
4 A. Yes.
5 Q. Do you know whether Lazare made
6 active use of its bank accounts at the
7 New York branch of KBC?
8 MS. GREDD: Objection to form.
9 A. If I know?
10 Q. Yes.
11 A. Personally?
12 Q. Yes.
13 A. No.
14 Q. Do you have any idea of the
15 amount of money that passed through
16 that bank account during the relevant
17 period of time?
18 MS. GREDD: Objection to form.
19 A. An idea? I know that it's
20 mentioned in Mr. Moryto's Declaration.
21 I read it.
22 Q. Apart from Mr. Moryto's
23 Declaration, do you have any
24 independent knowledge?
25 A. No.
99: 1 Q. Would you take a look at Exhibit
2 117, which is the third binder?

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Pg: 97 Ln: 16 - Pg: 99 Ln: 17 continued...

Annotation:

99: 3 A. 117?
4 Q. 1-1-7.
5 (Plaintiff's Exhibit 117, was
6 received and marked on this date for
7 identification.)
8 THE WITNESS: 1-1-7?
9 MS. GREDD: 1-1-7, reply
10 Declaration.
11 Q. By the way, just going back a
12 moment to your prior testimony, when in
13 2012 did you first learn that Lazare
14 had opened a bank account at the New
15 York branch of KBC?
16 A. After I had read Mr. Moryto's
17 Declaration.

Pg: 104 Ln: 3 - 23

Annotation:

104: 3 Q. Would you look at Exhibit 55 in
4 binder 2, please? Do you recognize this
5 document?
6 A. Yes, I do.
7 Q. Do you see the date of May 31,
8 2001 on the document?
9 A. Yes, I do.
10 Q. Okay. So the document is dated
11 prior to the time you began working at
12 ADB. Is that correct?
13 A. That's correct, yes.
14 Q. And do you understand this
15 document to pertain to the bank account
16 that Lazare was in the process of
17 opening at KBC New York in May of 2001?
18 A. You mean that it's related to
19 the intention of Lazare Kaplan to open
20 the zero balance account at KBC New
21 York?
22 Q. Yes.
23 A. Yes.

Pg: 106 Ln: 7 - Pg: 107 Ln: 5

Annotation:

106: 7 Q. Do you know where the original
8 of this document is located?
9 A. Yeah. At KBC.
10 Q. Have you ever seen the original
11 of this document?

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Pg: 106 Ln: 7 - Pg: 107 Ln: 5 continued...

Annotation:

106:12 A. Me, personally?
13 Q. A-hum.
14 A. No.
15 Q. Do you know why ADB did not
16 produce a copy of this document in this
17 lawsuit?
18 MS. GREDD: Objection to form.
19 A. Because it's not -- it's not
20 part of our client file, no.
21 Q. It's not part -- when you say
22 it's not part of your client file, you
23 mean ADB's client file?
24 A. Yes.
25 Q. Do you consider this document to
107: 1 be a KBC document then?
2 MS. GREDD: Objection to form.
3 A. It has indeed to do with routing
4 transactions through the KBC New York
5 account. So, yes.

Pg: 108 Ln: 21 - Pg: 109 Ln: 13

Annotation:

108:21 Q. Did Lazare need to sign this
22 document in order to use its bank
23 account in KBC New York?
24 MS. GREDD: Objection on form.
25 A. To start using the zero balance
109: 1 account, I think so, yes.
2 Q. What is the basis of your
3 testimony based on? On what do you
4 believe it was necessary?
5 A. I think it's, as far as I'm not
6 mistaken, mentioned in the Service
7 Level Agreement between ADB and KBC New
8 York.
9 Q. Anything besides -- any other
10 document besides the Service Agreement
11 provide a basis for your testimony?
12 A. For the moment that is the first
13 thing I think of, yes.

Pg: 130 Ln: 6 - Pg: 131 Ln: 20

Annotation:

130: 6 Q. Plaintiff's Exhibit 55 that we
7 were discussing earlier --
8 A. The routing instruction, if it
9 says explicitly that it's a zero

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Pg: 130 Ln: 6 - Pg: 131 Ln: 20 continued...

Annotation:

130:10 balance account?
11 Q. Yes. Is there anything in this
12 document that indicates that Lazare's
13 bank account at KBC New York would be
14 used as a zero balance account?
15 MS. GREDD: Objection to form.
16 A. But the statement shows it.
17 Q. I'm asking about this document,
18 Plaintiff's 55.
19 A. Then I will have another look at
20 it.
21 Q. Please.
22 A. It's another binder then.
23 Q. It's Exhibit 52.
24 A. I think so, yes.
25 Q. What words are you referring to?
131: 1 A. It says that, okay, "shall be
2 effectuated through our account with
3 KBC and shall result in a same day
4 debit and credit to our loan balance
5 with Antwerp Diamond Bank", which was
6 at all times the main account. So that
7 obviously shows it.
8 Q. Shows what?
9 A. That the transactions would
10 route through the KBC account as part
11 of, let's say, an accommodation, an
12 administrative arrangement, I don't
13 know how you would call it, but that it
14 would generate these debits and credits
15 to the loan balance in Antwerp, yes.
16 Q. And that indicates to you that
17 the bank account at KBC New York would
18 be used as a zero balance account?
19 MS. GREDD: Objection to form.
20 A. According to me, yes.

Pg: 137 Ln: 9 - Pg: 139 Ln: 11

Annotation:

137: 9 Q. Turn to Exhibit tab 50? Have you
10 seen the document in tab 50 before,
11 Ms. Snyers?
12 A. I think so, yes.
13 Q. And directing your attention to
14 the third page, the last page of the
15 exhibit, do you see the column entitled
16 "bank statements (yes/no/NA)?"
17 A. I see it, yes.

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Pg: 137 Ln: 9 - Pg: 139 Ln: 11 continued...

Annotation:

137:18 Q. What does NA stand for in this
19 document?
20 MS. GREDD: Objection to form.
21 A. I must say, I don't know because
22 I didn't draft the document, but I
23 would read it as "not applicable" or --
24 Q. Okay. And what is the entry
25 underneath the column "bank statements"
138: 1 that's noted?
2 A. What do you mean?
3 Q. What was the answer to
4 "yes/no/not applicable" that's
5 reflected in this document?
6 MS. GREDD: Objection to form.
7 A. For whom? I have to turn the
8 page?
9 Q. You can look at the last page,
10 page 3. By looking at this document --
11 A. By looking at the document I
12 don't see anything.
13 Q. You don't see N/A in the column
14 under bank statements?
15 A. Bank statement it says
16 "yes/no/NA", not applicable.
17 Q. And dropping down to the line
18 that's indicated on the third page --
19 A. I think you will have to come
20 and show me because I --
21 Q. Your lawyer will --
22 THE WITNESS: Okay.
23 MS. GREDD: Line 27.
24 A. And it says "not applicable"?
25 Q. Yes.
139: 1 A. It says "not applicable", yes.
2 Q. Would you look at Exhibit 51,
3 please?
4 A. Yes.
5 Q. Do you recognize that document?
6 A. Yes, I do.
7 Q. What is it?
8 A. It's an account activity report
9 or bank statement issued by ADB
10 concerning Lazare Kaplan's account with
11 the bank.

Pg: 157 Ln: 19 - Pg: 158 Ln: 6

Annotation:

157:19 Q. And directing your attention to

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Pg: 157 Ln: 19 - Pg: 158 Ln: 6 continued...

Annotation:

157:20 the last "Whereas" clause that reads
21 "ADB agrees to open a pooling account
22 with KBC to fund the payments
23 effectuated by KBC on behalf of the
24 diamond clients", do you know what a
25 pooling account is?
158: 1 A. No.
2 Q. Do you know whether ADB opened a
3 pooling account at the New York branch
4 of KBC during the relevant period of
5 time?
6 A. If it did?

Pg: 159 Ln: 9 - Pg: 161 Ln: 1

Annotation:

159: 9 Q. Did KBC effectuate the local and
10 international payments made by diamond
11 clients of ADB through their accounts
12 at KBC New York, Ms. Snyers?
13 A. Yes.
14 Q. What does it mean to effectuate
15 the payment?
16 A. Yeah, but funds were --
17 Q. I'm sorry. What does it mean to
18 effectuate the payment?
19 A. Do the payment.
20 Q. Okay. KBC did the payment. Where
21 did the funds that KBC used to do the
22 payment come from, according to your
23 understanding of this agreement?
24 A. They obtained the funds the same
25 day from ADB.
160: 1 Q. Before they obtained the funds,
2 did they use their own funds --
3 A. I don't know.
4 Q. You have to let me finish.
5 Before they obtained the funds
6 from ADB did they use their own funds
7 to "do the payments"?
8 MS. GREDD: Objection to form.
9 A. That, I don't know.
10 Q. Is it your understanding that
11 after doing the payments they then
12 obtained the funds or reimbursement of
13 the funds from Antwerp Diamond Bank?
14 MS. GREDD: Objection to form.
15 A. Reimbursement, the funds would
16 be obtained from ADB the same day.

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Pg: 159 Ln: 9 - Pg: 161 Ln: 1 continued...

Annotation:

160:17 Yes, that's what I said.
18 Q. Does ADB send funds from Belgium
19 to KBC New York following KBC's doing
20 the payments referred to in this
21 document?
22 A. I don't know --
23 MS. GREDD: Objection to form.
24 A. -- how it's -- it operationally
25 works, so that I cannot answer the
161: 1 question of --

Pg: 161 Ln: 8 - 13

Annotation:

161: 8 Q. Do you know what a correspondent
9 bank account is?
10 A. No.
11 Q. Do you know what a correspondent
12 bank is?
13 A. No.

Pg: 164 Ln: 10 - 20

Annotation:

164:10 Q. Have you ever heard in the
11 course of your work at ADB that ADB
12 maintained a bank account of some kind
13 at the New York branch of KBC?
14 A. Yes.
15 Q. Okay. What have you heard?
16 A. That they had a bank account. As
17 I say, these operational things are not
18 really my first duty, so I say that I
19 have the knowledge but I am not a
20 specialist.

Pg: 165 Ln: 12 - 14

Annotation:

165:12 Q. Do you have an understanding of
13 how clearing works?
14 A. No.

Pg: 170 Ln: 2 - Pg: 171 Ln: 2

Annotation:

170: 2 Q. I'll ask you the question, if I
3 may.
4 A. Yes.

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Pg: 170 Ln: 2 - Pg: 171 Ln: 2 continued...

Annotation:

170: 5 Q. Are you familiar with the
6 Clearinghouse Interbank Payment System?
7 A. No.
8 Q. Sometimes known as CHIPS?
9 A. No.
10 Q. Do you know -- have you ever
11 heard that CHIPS is a fund transfer
12 system that transmits and settles
13 payment orders in U.S. dollars?
14 A. I have to disappoint you. No.
15 Q. Do you know how banks move or
16 transmit -- transfer U.S. dollars
17 around the world?
18 A. No.
19 Q. Do you have any understanding at
20 all?
21 A. No.
22 Q. Have you ever heard that dollar
23 denominated transactions must pass
24 through New York or the United States?
25 A. I tell you, you are in a section
171: 1 where I totally am not a specialist, so
2 I will say no.

Pg: 171 Ln: 9 - 22

Annotation:

171: 9 Q. Are most diamond transactions
10 done in U.S. dollars?
11 A. As far as I know?
12 Q. Yes.
13 A. Yes.
14 Q. And were the diamond
15 transactions of ADB's clients or
16 customers in U.S. dollars?
17 A. Were?
18 Q. Yes.
19 A. Or are?
20 Q. Were during the relevant period
21 of time?
22 A. I should think so, yes.

Pg: 171 Ln: 23 - Pg: 172 Ln: 5

Annotation:

171:23 Q. And to your knowledge, was ADB
24 able to execute transactions in U.S.
25 dollars on behalf of its customers
172: 1 itself or did it need to use a

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Pg: 171 Ln: 23 - Pg: 172 Ln: 5 continued...

Annotation:

172: 2 different bank or third party?
3 A. I don't know.
4 Q. You have no idea?
5 A. No idea.

Pg: 188 Ln: 18 - Pg: 189 Ln: 13

Annotation:

188:18 Q. Let's go back to the Service
19 Level Agreements in Exhibit 57.
20 I asked you earlier about how
21 ADB funded the payments made by KBC
22 pursuant to this agreement and correct
23 me if I misstate your testimony, you
24 didn't understand the specifics, but
25 you believed that ADB does, in fact,
189: 1 fund those payments. Is that a fair
2 summary of your testimony?
3 A. I don't know how operationally
4 it works, but as we said, indeed, with
5 withdrawals under the credit facility
6 with ADB. So, yes.
7 Q. How did ADB go about funding
8 those payments when the bank in Belgium
9 was closed?
10 A. I told you, that's the
11 operational side of the -- of the -- of
12 the whole setup, which I don't know
13 what.

Pg: 190 Ln: 3 - 8

Annotation:

190: 3 Q. And do you have any
4 understanding of how KBC New York and
5 ADB reconciled the payments that KBC
6 funded through the KBC New York bank
7 account?
8 A. No, I don't.

Pg: 190 Ln: 9 - Pg: 191 Ln: 21

Annotation:

190: 9 Q. Do you have any firsthand
10 knowledge how KBC operated what you
11 call Lazare's zero balance account in
12 New York?
13 A. No.
14 Q. And dropping down to paragraph 2

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Pg: 190 Ln: 9 - Pg: 191 Ln: 21 continued...

Annotation:

190:15 on page 1 of Exhibit 57 --
16 A. The Service Level Agreement?
17 Q. Yes.
18 A. Yeah.
19 Q. Do you see the words that read
20 "KBC will accept and registrate all
21 incoming funds via the customary
22 channels, CHIPS, Fedwire, book
23 transfer, etcetera, in favor of the
24 diamond clients."
25 A. Yes.
191: 1 Q. What do you understand the
2 sentence to mean?
3 A. I cannot give any opinion about
4 it because I don't know how it works.
5 So I would give an opinion that could
6 be completely wrong. So it will not
7 help anyone, so...
8 Q. Well, by reference to the
9 document and based on your --
10 A. Yeah, but it's so technical,
11 this issue, that I'm totally not a
12 specialist, so --
13 Q. You have no understanding
14 whatsoever what this document means?
15 MS. GREDD: Objection to form.
16 A. I do know in general what it
17 means but how it in detail functioned
18 and operated, I already told you I
19 think 20 times. So I don't think my
20 opinion or how I read it will
21 contribute to the --

Pg: 194 Ln: 23 - Pg: 196 Ln: 4

Annotation:

194:23 Q. Do you know how Lazare went
24 about repaying the monies it borrowed
25 under its credit facility from ADB? Do
195: 1 you know how that -- how those
2 repayments were effectuated?
3 A. Technically?
4 Q. The procedure, yes.
5 A. No, I don't know.
6 Q. Well, do you know what the
7 procedure in this agreement is with
8 respect to funds deposited into the
9 Lazare KBC New York bank account? What
10 happens to the monies after they're

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Pg: 194 Ln: 23 - Pg: 196 Ln: 4 continued...

Annotation:

195:11 received into the bank account?
12 A. At the end of the day they would
13 have been automatically transferred to
14 the ADB account that the client has
15 connected to its credit facility
16 because the end balance and the
17 beginning balance is always zero.
18 Q. And is that account located in
19 Belgium?
20 A. Which account?
21 Q. The -- you said the account the
22 client has --
23 A. In connection with the credit
24 facility?
25 Q. Yes.
196: 1 A. It's in Antwerp, yes.
2 Q. And can you explain how?
3 A. The technicalities behind it,
4 no, I already told you.

Pg: 196 Ln: 14 - Pg: 203 Ln: 4

Annotation:

196:14 Q. Ms. Snyers, let me return your
15 attention to your June 14, 2012
16 Declaration in Exhibit 117, which is
17 the big binder in front of you. In
18 particular to paragraph 11 H of your
19 Declaration.
20 A. Yes.
21 Q. Okay. Directing your attention
22 to the last sentence in paragraph H
23 where you wrote "In addition, because
24 the account at KBC NY is a zero balance
25 account any funds transferred into the
197: 1 KBC NY account are automatically
2 credited to or swept into the
3 customer's bank account at Antwerp Bank
4 at the end of the day."
5 Do you see where you wrote that?
6 A. I see it, yes.
7 Q. Do you believe that your
8 explanation in this paragraph is
9 consistent with the Service Level
10 Agreement?
11 A. I think so, yes.
12 Q. And is the reason that you do
13 not refer to the pooling account in
14 your Declaration that you never heard

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Pg: 196 Ln: 14 - Pg: 203 Ln: 4 continued...

Annotation:

197:15 of the pooling account at the time you
16 wrote your Declaration?
17 MS. GREDD: Objection to form.
18 A. I never heard of it and it would
19 have been of -- yeah, I never heard of
20 it, yes.
21 Q. And that's why you didn't make
22 any reference to it in your sworn
23 Declaration?
24 A. I suppose it was also of not any
25 importance.
198: 1 Q. Not of importance, okay. Can you
2 explain the procedure in this sentence,
3 in which funds are, as you put it,
4 automatically credited to or swept into
5 a customer's bank accounts at Antwerp
6 Bank?
7 A. What do you want me to say about
8 that?
9 Q. What does it mean?
10 A. That it's automatically
11 transferred.
12 Q. Sorry. Go ahead.
13 A. It's okay.
14 Q. Well, explain how U.S. dollars
15 can be swept into an account in
16 Belgium?
17 MS. GREDD: Objection to form.
18 A. I said -- I said it was an
19 automatic transfer and then you come
20 again to the technicalities of how it
21 happens, to which I already said before
22 that I don't know the technicalities,
23 so...
24 Q. So if I understand you
25 correctly, you don't understand what is
199: 1 involved in sweeping funds from the KBC
2 New York account to a bank account in
3 Belgium?
4 A. No. You said how it works, I
5 said it's an automatic transfer. So
6 that, because we are still referencing
7 the zero balance account, so that the
8 balance at the end of the day would be
9 zero.
10 Q. I'm sure you will agree with me,
11 Ms. Snyers, it doesn't happen by magic,
12 you state in your sworn Declaration the
13 funds transferred into the KBC New York

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Pg: 196 Ln: 14 - Pg: 203 Ln: 4 continued...

Annotation:

199:14 account are credited to or swept into a
15 bank account in Belgium. I'm asking you
16 how that happens, what did you mean
17 when you wrote that?
18 MS. GREDD: Objection to form.
19 A. I explained to you I mean it is
20 automatically transferred, a transfer.
21 That's what I mean.
22 Q. Does money move, do actual
23 dollars move from New York to Belgium,
24 according to your understanding of the
25 procedure in the Services Agreement?
200: 1 MS. GREDD: Objection to form.
2 A. I think a transfer is what it
3 is, it's servicing money from one to
4 the other. So it's not with -- the
5 money has to go somewhere, so into an
6 account.
7 Q. So is the answer to my question,
8 do dollars move from New York to
9 Belgium? Yes, no or you don't know?
10 MS. GREDD: Objection to form.
11 A. I say they don't move to
12 Belgium, it's automatic transfer from
13 one account to another account.
14 Q. It's a book transfer or an
15 accounting entry --
16 MS. GREDD: Objection to form.
17 Q. -- is that your testimony?
18 A. I told you before that the
19 technicalities and the way or the
20 transfer how it's described, I don't
21 know how it's described or what the
22 exact term of that is, yes.
23 Q. And directing your attention
24 back to the Service Level Agreement in
25 Plaintiff's Exhibit 57, book no. 2 --
201: 1 A. Yes.
2 Q. -- paragraph 3, second page?
3 A. Second page?
4 Q. Second page of a two-page
5 exhibit, see the sentence that says,
6 "Every day KBC clears the customer's
7 account via ADB's pooling under
8 agreement/advisement with the diamond
9 client."
10 Can you explain what that means?
11 A. No. I already told you I don't
12 know anything about these specific

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Pg: 196 Ln: 14 - Pg: 203 Ln: 4 continued...

Annotation:

201:13 items.
14 Q. Second sentence, "Credit
15 positions on the diamond client's
16 account are transferred to the pooling
17 account as well." Any idea what that
18 means?
19 A. I should repeat myself?
20 Q. If necessary.
21 A. I will then. No.
22 Q. No, you have no idea what that
23 means?
24 MS. GREDD: Objection to form.
25 A. How it technically goes,
202: 1 transfers, I told you that -- I told
2 you before break and I will tell you
3 now, I don't know this.
4 Q. What do you think credit
5 positions on the diamond client's
6 accounts refers to?
7 A. Credit positions?
8 Q. A-hum.
9 A. I would think it's a credit
10 balance.
11 Q. So would an example of a credit
12 balance then be money that is paid by a
13 customer into Lazare's bank accounts
14 KBC New York?
15 A. It could represent that, yes.
16 Q. And do you have any
17 understanding of what is meant by the
18 reference to transferring credit
19 positions to the pooling account?
20 A. No.
21 Q. And the next paragraph within
22 paragraph 3, do you see where it states
23 "If these clearing operations yield a
24 balance deficiency on the pooling
25 account, KBC NY will grant ADB an
203: 1 overnight placement on money market
2 rates on a best efforts basis."
3 Any idea what those words mean?
4 A. No.

Pg: 204 Ln: 1 - Pg: 207 Ln: 25

Annotation:

204: 1 Q. And would you turn to -- well,
2 let me ask you before we turn -- we're
3 going to turn to 133 in a second in the

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Pg: 204 Ln: 1 - Pg: 207 Ln: 25 continued...

Annotation:

204: 4 big binder, but with specific reference
5 to your June 14, 2012 Declaration, you
6 don't understand the operational basics
7 of how the arrangement described in the
8 Service Level Agreement worked, why did
9 you submit a sworn Declaration to the
10 Court describing --
11 A. I do think you need to know how
12 it operationally works to see that the
13 account is set up as a zero balance
14 account because it's shown, and that
15 you know that the account has a bank
16 account with ADB, as all our customers
17 have, if you have a credit facility. So
18 I don't think you need to know in
19 detail every step of the way to be able
20 to give a general overview or a general
21 insight in all this account works.
22 That's my opinion.
23 Q. Did you write your June 14, 2012
24 Declaration?
25 A. If I --
205: 1 MS. GREDD: Objection to form.
2 A. Did I write it myself?
3 Q. Yes.
4 A. No.
5 Q. Who wrote it?
6 A. I will have a look at it. Which
7 it was?
8 Q. It's Plaintiff's Exhibit 117.
9 A. I think it will have been Helen.
10 Q. You're referring to Ms. Gredd?
11 A. Yes.
12 Q. Did you review the document
13 before you signed it?
14 A. Yes, I did.
15 Q. Did you understand what you read
16 when you reviewed the document?
17 A. What I read? Yes.
18 Q. And do you believe it to be
19 true?
20 A. Yes.
21 Q. And would you turn to
22 Plaintiff's Exhibit 133 in the big
23 binder, which is Mr. Haeck's
24 Declaration, his first Declaration, and
25 directing your attention to paragraph
206: 1 7, page 2 of Mr. Haeck's Declaration,
2 do you see where he wrote, "Except for

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Pg: 204 Ln: 1 - Pg: 207 Ln: 25 continued...

Annotation:

206: 3 a small number of documents relating to
4 routine clearance procedures all
5 materials relating to KBC U.S. dollar
6 clearance transactions are located in
7 Belgium."
8 A. A-hum.
9 Q. What are the routine clearance
10 procedures that Mr. Haeck is describing
11 in his April 4, 2012 Declaration?
12 A. I don't know.
13 Q. Well, why did you certify that
14 the Declaration was true and correct if
15 you don't know what he means?
16 MS. GREDD: Objection to form.
17 A. I don't remember.
18 Q. You don't remember why you
19 certified that his Declaration was true
20 and correct?
21 MS. GREDD: Objection to form.
22 A. Because I -- because I believed
23 it was true at the time that I declared
24 that.
25 Q. And what was the basis for your
207: 1 belief that it was true?
2 A. I still -- I referred already to
3 that, so I will be repetitive again,
4 yeah. I know Walter Haeck and I know
5 his position, so I read the document
6 and I attested it was true, so...
7 Q. And at the time you read the
8 document and attested that it was true
9 did you understand what he meant in
10 paragraph 7 by "routine clearance
11 procedures"?
12 MS. GREDD: Objection to form.
13 A. I just answered that question,
14 no. But I will tell you again, no.
15 Q. And is it really true that all
16 materials relating to KBC U.S. dollar
17 clearance transactions are located in
18 Belgium?
19 A. I told you I don't know.
20 Q. You don't know if that's true or
21 not true?
22 A. It will be true.
23 Q. Did you say it will be true?
24 A. I will say I -- I said I don't
25 know.

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Pg: 211 Ln: 16 - Pg: 213 Ln: 21

Annotation:

211:16 Q. Would you look at paragraph 9 of
17 Mr. Haeck's Declaration?
18 A. Yes.
19 Q. Do you see where he states "KBC
20 has de minimus business dealings with
21 Lazare, or its subsidiary Lazare Kaplan
22 Belgium."
23 A. Yes.
24 Q. Is that an accurate description
25 in your view of the extent of KBC's
212: 1 business dealings with Lazare, de
2 minimus?
3 MS. GREDD: Objection to form.
4 A. Yes.
5 Q. And do you see the reference at
6 the end of the paragraph to "such
7 transactions cleared through Antwerp
8 Bank's account at KBC's New York
9 branch"?
10 A. A-huh.
11 Q. Do you know what account
12 Mr. Haeck is referring to?
13 A. I think I already answered that
14 question also a bit before, but I will
15 tell you, no.
16 Q. Well, does that indicate -- does
17 that statement by Mr. Haeck, which in a
18 Declaration that you represented to the
19 United States District Court was true
20 and accurate, does that reference to
21 ADB's account at KBC's New York branch
22 refresh your recollection at all as to
23 whether ADB had an account of any kind
24 at KBC New York?
25 MS. GREDD: Objection to form.
213: 1 A. I don't know.
2 Q. You don't have a view one way or
3 another?
4 MS. GREDD: Objection to form.
5 A. No. I think you like me to have
6 a view but I don't have a view, no.
7 Q. Well, when you signed this --
8 A. I didn't sign this.
9 Q. Let me finish.
10 When you signed your
11 Declaration --
12 A. Yes.
13 Q. -- in which you represented to
14 the United States District Court that

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Pg: 211 Ln: 16 - Pg: 213 Ln: 21 continued...

Annotation:

213:15 Mr. Haeck's Declaration was true and
16 accurate did you ask anyone what this
17 reference to ADB's account at KBC New
18 York referred to?
19 MS. GREDD: Objection to form.
20 A. I don't remember but I would say
21 no.